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| APPLICATION NO.  | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO.       | CONFIRMATION NO.       |
|--|-------------|----------------------|---------------------------|------------------------|
| 09/803,134   | 03/12/2001  | Shigchiko Terashima  | 1095.1167                 | 3262                   |
| 21171 7590 06/26/2007<br>STAAS & HALSEY LLP<br>SUITE 700<br>1201 NEW YORK AVENUE, N.W.<br>WASHINGTON, DC 20005 |             |                      | EXAMINER<br>MILEF, ELDA G |                        |
|  |             |                      | ART UNIT<br>3692          | PAPER NUMBER           |
|  |             |                      | MAIL DATE<br>06/26/2007   | DELIVERY MODE<br>PAPER |

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

|                              |                               |                                      |  |
|------------------------------|-------------------------------|--------------------------------------|--|
| <b>Office Action Summary</b> | Application No.<br>09/803,134 | Applicant(s)<br>TERASHIMA, SHIGEHICO |  |
|                              | Examiner<br>Elda Milef        | Art Unit<br>3692                     |  |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☒ Responsive to communication(s) filed on 26 March 2007.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1-12 is/are pending in the application.
- 4a) Of the above claim(s) 1,5 and 12 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 2-4,6-11 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

**DETAILED ACTION**

***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 3/26/2007 has been entered.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 2-3, 6, 10-11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Espinoza, Galina. (*Your Fund's New Best Friend. Money. New York: Feb 1999. Vol. 28, Iss.*

2; p. 148.) in view of Barni ( US Patent No. 6,064,981) in further view of Kossovsky (US PG. Pub. No. 2002/0002524 A1).

**Re claim 6:** Espinoza discloses:

a) allowing a client to specify a price specification of securities to be bought or sold;

(b) allowing a client to specify a volume of the securities;

(c) allowing a client to specify conditions for buying or selling the securities;

("When you place your order for 100,000 IBM shares via OptiMark, you enter the number of shares you'd like to purchase and at what price. But unlike a traditional order, which quotes a fixed price for a specific number of shares, you can enter a range of prices-and vary the number of shares you'd buy at each level. So you could indicate you'd buy 50,000 shares at \$175, or 100,000 shares at \$175.25, or 150,000 shares at \$175.50, but none at \$176.")-see p. 3, para. 2.

(e) issuing a hidden order via the computer for the volume of the securities at the price under the specified conditions; Espinoza discloses ("Allow traders to make offers anonymously... When you place your order for 100,000 IBM shares via OPTIMARK, you enter the number of shares you'd like to purchase and at what price...Other users, meanwhile, enter their own buy and sell

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criteria. No one sees any of the data...AN OPTIMARK supercomputer housed in Toronto analyzes all the data...")-see p. 3, pars. 2-4.

Espinoza does not disclose:

(d) allowing each individual client to specify that a current order thereof be hidden from other clients. Barni however, teaches ("A link 90 navigates to the display of Fig. 7, wherein the customer can create an anonymous bid...A given bid, for example includes information in the following fields: a company field 116(labeled anonymous in this example.")-see col. 6 lines 19-59 and ("As noted above, although all of the identified bids are anonymous, a given carrier or forwarder can identify itself if desired.")-see col. 7 lines 28-63; and Figs. 7 ("Click to post the anonymous Buyer Bid"); Figs. 8-12; col. 2. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Espinoza to include marking a bid as anonymous as was shown by Barni in order to protect the identity of bidders for various reasons such as influencing overall trading.

Espinoza does not specifically disclose:

(f) displaying each individual pending order including the hidden order on a screen of the computer, together with an indication of whether said each individual pending order is

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specified as a hidden order or not. Kossovsky, however discloses ("Many factors go into deciding what information about bids should be made available to bidders before and after the closing of the auctions. In an open cry auction, one could conceal the identity of the bidders, or conceal the association between the bidders and the bids. In sealed bid auctions, the identity of the bidders and/or their bids could be revealed to other bidders after the close of auction. Alternatively, only the winning bids and/or bidder's identity could be revealed.") - see para. 146. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Espinoza and Barni to include having the option of choosing what information is displayed to bidders as was shown by Kossovsky and marking a bid as anonymous as disclosed by Barni in order to assure bidders that the bid evaluation process is fair to all participants and to prevent a lack of bidding from smaller, less well funded bidders;

Although Barni teaches the customer having the option to post a bid anonymously and (g)providing the other clients; and displaying anonymous as well as identified bids-see col. 7, Espinoza and Barni do not specifically disclose providing the other clients with information on all pending orders, including prices and volumes of the securities being traded, but excluding

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those of the hidden order. Kossovsky, however discloses ("Many factors go into deciding what information about bids should be made available to bidders before and after the closing of the auctions. In an open cry auction, one could conceal the identity of the bidders, or conceal the association between the bidders and the bids. In sealed bid auctions, the identity of the bidders and/or their bids could be revealed to other bidders after the close of auction. Alternatively, only the winning bids and/or bidder's identity could be revealed.")-see para. 146. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Espinoza and Barni to specifically include having the option of choosing what information is displayed to bidders as was shown by Kossovsky in order to assure bidders that the bid evaluation process is fair to all participants and to prevent a lack of bidding from smaller, less well funded bidders.

**Re claim 2:** Espinoza discloses:

step (a) specifies the price of the securities that has a given range. ("you can enter a range of prices")-see p. 3, para. 2;

**Re claim 3:** Espinoza discloses:

step (b) specifies the volume of the securities that has a given range. ("you can enter a range of prices-and vary the number of shares you'd buy at each level. So you could indicate you'd buy 50,000 shares at \$175, or 100,000 shares at \$175.25 or 150,000 shares at \$175.50, but none at \$176.00")-see p.3, para.2;

**Re claim 10:** Further a computer-readable recording medium storing a program causing a computer to function would have been necessary to perform previously rejected claim 6 and is therefore rejected using the same art and rationale.

**Re claim 11:** Further a transaction supporting apparatus would have been necessary to perform previously rejected claim 6 and is therefore rejected using the same art and rationale;

3. Claims 4, 7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Espinoza in view of Barni in view of Kossovsky as applied to claim 6 above, and further in view of Kalmus (US. Patent No. 4,674,044).

**Re claim 4:** Espinoza, Barni, and Kossovsky do not disclose:

step (c) specifies a condition that inhibits partial agreement between orders at a particular point in time. Kalmus



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however, teaches ("The processor 10 first determines whether or not each received order can be executed, i.e., "qualifies" the order. There are various reasons why an order will not be executed by the market maker. Thus, for example, the customer may seek to sell stock above the current bid price or to purchase the security below the current asked price. A customer may seek to trade a number of shares which exceeds the amount which the particular market maker is willing to accommodate, either in gross or for any one order. Orders not executable, i.e., orders not qualified, are either stored in memory in the processor 10 for later execution if they become qualified (such as by a favorable change in the market price for a security which can then accommodate the customer's price limits...)-see col. 5, lines 6-20. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Espinoza, Barni, and Kossovsky to include qualifying an order for execution by comparing its specifics to predetermined criteria as shown by Kalmus in order to facilitate the trading transaction and to provide inventory control for the trader.

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**Re claim 7:** Espinoza, Barni, and Kossovsky do not specifically disclose:

further comprising changing the conditions on the order issued by said step (e). Kalmus disclose ("the processor 10 in accordance with the instant invention signals the trader at station 15 who is then given the opportunity to readjust his quantity or other market-characterizing criteria.")-see col. 5, lines 37-40. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Espinoza, Barni, and Kossovsky to include changing trade criteria as was shown by Kalmus in order to allow the trader to change a trade position to reflect current market conditions.

4. Claims 8, 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Espinoza, Barni, and Kossovsky as applied to claim 6 above, and further in view of Lupien (US Patent No. 6,012,046).

**Re claim 8:** Espinoza, Barni, and Kossovsky do not disclose:  
further comprising canceling the order issued by said step (e). Lupien et al. shows ("To operate the present invention as a continuous crossing network, then control should return to step

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108 whenever a new order is entered or an **existing order canceled** or modified.")-see col. 11, lines 17-20. It would have obvious to one having ordinary skill in the art at the time of the applicant's invention to modify Espinoza, Barni, and Kossovsky et al. to include canceling an existing order as was done by Lupien et al. in order to give the trader the option to end the transaction if he is not satisfied with the conditions.

**Re claim 9:** Espinoza, Barni, and Kossovsky do not disclose:

wherein said canceling the order cancels the order even if a partial agreement with another order is made. Lupien et al. shows a computerized crossing network that allows traders to input as orders a satisfaction density profile which incorporates a two-dimensional format one dimension being price, the other being size of a transaction, that as a whole characterize the trader's degree of satisfaction at each (price, size) and ("Each element of the satisfaction density profile, called a satisfaction density value, indicates the trader's degree of satisfaction to trade that size order at that price. In the representative embodiment, each satisfaction density value is a number between zero and one, with zero

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representing no satisfaction (i.e., will under no circumstances trade that quantity at that price) and one representing total satisfaction.")-see col. 4, lines 8-21. The invention by Lupien et al. discloses a partial agreement because the trader ranks his satisfaction in the price and quantity available. Therefore, if the trader agrees with the price but not the quantity of shares, he will rank that particular transaction as having a low satisfaction rate. Also, Lupien et al. shows ("To operate the present invention as a continuous crossing network, then control should return to step 108 whenever a new order is entered or an **existing order canceled** or modified.")-see col. 11, lines 17-20. Therefore, it would have been obvious to one having ordinary skill in the art at the time of the applicant's invention to modify Espinoza, Barni, and Kossovsky to include canceling an order that is in partial agreement as was done by Lupien et al. in order to give the trader or investor an option to end the transaction if he is not satisfied with the conditions.

#### ***Response to Arguments***

5. Applicant's arguments with respect to claims 2-4, 6-11 have been considered but are moot in view of the new ground(s) of rejection.

**Conclusion**

6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Elda Milef whose telephone number is (571)272-8124. The examiner can normally be reached on Monday -Thursday 8:30 am to 4:30pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571)272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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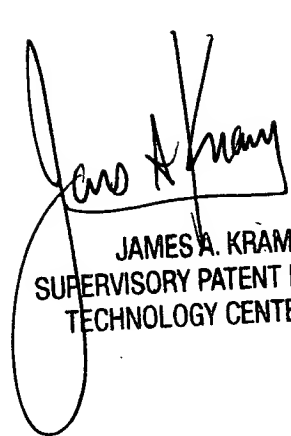
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Elda Milef  
Examiner  
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6/18/07

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